

Minutes of the Veneta City Council

January 11, 2011

Present: Mayor Sharon Hobart-Hardin, Brittany Boothe, and Sandra Larson

Absent: Marion Esty

Others: Ric Ingham, City Administrator; Sheryl Hackett, City Recorder; Shauna Hartz, Finance Director; Brian Issa, Community Services Director; Kyle Schauer; Public Works Superintendent; Darci Henneman, Assistant City Recorder; Joan Mariner and Herb Vloedman

Mayor Hobart-Hardin called the Veneta City Council to order at 7:00 p.m.

1. SWEARING-IN OF NEWLY ELECTED COUNCIL MEMBERS

Brittany Boothe was sworn in to the Veneta City Council by Assistant City Recorder Darci Henneman. Thomas J. Cotter was ill and could not attend tonight's meeting.

2. STATE OF THE CITY ADDRESS – MAYOR SHARON HOBART-HARDIN

Mayor Hobart-Hardin read her state of the city address; a copy of which is attached hereto and incorporated herein.

3. PUBLIC COMMENT

Joan Mariner, 25712 Cochran Ct., Veneta, OR

Ms. Mariner said she is the Warming Center facilities coordinator. They've had 10 or 11 volunteers every night. Those who used the Warming Center were very appreciative for a warm place to sleep and some food to eat. She requested the Council reconsider the reassignment of the garbage franchise to Sanipac. She felt the City's garbage service franchise should be open to competition.

In response, Mayor Hobart-Hardin said the Franchise Agreement doesn't expire until 2013.

Herb Vloedman, 25115 Luther Lane, Veneta OR

Mr. Vloedman read an excerpt from the business registration form he received from the City which included language stating if he did not pay the fee, the matter would be turned over to the City Attorney. He and his wife were offended by the threatening language. He renewed his business registration prior to its expiration and felt because his payment was not delinquent he should not be threatened with such verbiage. He asked staff to please reword this letter.

Sheryl agreed with Mr. Vloedman that she too would have taken offense to the verbiage. She said in years past many businesses ignored the letter and didn't pay the fee. Staff felt rather than send multiple letters the original form should include some kind of non payment clause. However, she now realizes the letter is somewhat offensive, was sent prematurely, and it will be reworded.

4. WORK SHOP – EWEB/VENETA PIPELINE PROJECT

Brian presented his power point presentation to the Council.

Currently the City's maximum water production is 1.6 million gallons daily. Most of the City's water comes from wells in the northeastern and eastern portions of the City limits. The City has a projected need of 10 to 20 wells to get us to 2030. The closer the wells are to each other the more interference the wells will have with one another. Brian said the 2009 Water Master Plan

indicated we probably won't find enough water using well exploration to meet our long term needs. In 2009 the projected cost of future well exploration was roughly 19.5 million dollars. In 2010 that figure jumped to 56.43 million dollars. These figures do not include other capital construction costs of roughly 8 to 9 million dollars. He said it's not likely there is enough ground water to meet the need, costs are uncertain, and results are hard to predict. Getting water from Fern Ridge Reservoir is unlikely also. The reservoir is mainly used for irrigation but if by chance the City was able to buy water from the Corp of Engineers it would be very expensive to treat.

In August of 2010 the United States Department of Agriculture (USDA) approached the City with stimulus funds they had available for large infrastructure projects. In order to qualify for the funds, the City was required to complete a Preliminary Engineering Report, Environmental Report, a Biological Report, and a Cultural Resource Study which revealed the archeological impact of the pipeline route, if any. At that time the pipeline had a projected cost of 18.3 million dollars verses 19 to 56 million dollars for well exploration. (The idea of a water pipeline is not new. It is mentioned in the 1984 Urban Renewal Agency Plan).

USDA-RD offered a funding package consisting of 2.65 million dollars in grants and 13.03 million dollars in loans at a 3.25 interest rate for 40 years. The Council has discussed the Urban Renewal Agency contributing 1 million dollars. The Eugene section of pipeline would cost 1.4 million dollars and would be financed through EWEB utilizing a rate repayment plan.

Brian said FCS has been working on a rate and SDC rate analysis for the last six months. The Council and staff have worked through the assumptions which indicated the estimated cost of well development is 2 to 4 times more than the cost of the pipeline. It was the consensus of the Council to focus on the pipeline for the City's water supply. Most of the water increases will occur in 2014 and 2015.

Fifty percent (50%) of needed revenue will be recovered from future construction through SDCs. Brian based his calculations on a 3.15% annual customer growth rate and an average of 50+ new Equivalent Residential Units (ERU) per year until 2020. From 1994 to 2009 the average ERU was 50 per year. The current SDCs are \$1937 per ERU; projected SDCs are \$3648 per ERU and the State average is \$2065 per ERU.

Brian reviewed a tentative timeline for the pipeline beginning with **1)** City of Veneta Town Hall meeting on January 18th, at fire hall; **2)** Eugene City Council decides whether or not they endorse the pipeline on January 24th; **3)** City of Veneta holds a Public Hearing on January 25th at fire hall; **4)** RFP for design closes January 30th; **5)** Veneta City Council deliberates and possibly awards the design contract on February 14th; **6)** Project design will take 10 months. The entire pipeline process needs to be completed by August 2015 or USDA RD will pull their funding.

In response to a question from Sandra Larson, Brian said we need to get a little closer to knowing what the project will cost before we can implement a rate increase and then we'll know more about how to implement those figures. Staff will bring back to the Council different implementation schedules for rate increases and the pros and cons to all of those. One may be to implement rate increases prior to the water actually flowing.

In response to a question from Brittany Boothe, Brian said increasing the SDCs too much could deter building but there are many factors to building a home. SDCs accumulate faster for commercial buildings which is a more certain source of revenue.

Mayor Hobart-Hardin said the City should move forward with both the Town Hall meeting on

January 18th and the Public Hearing on January 25th because there is more and more complexity to the project and those two meetings will allow the City and the Council to answer more questions.

It was the consensus of the Council to proceed with the Town Hall meeting and the Public Hearing on January 18th and January 25th respectively.

5 CONSENT AGENDA

MOTION: Sandra Larson made a motion to approve the consent agenda as presented. Brittany Boothe seconded the motion which passed with a vote of 3-0.

Vote: Mayor Hobart-Hardin, aye; Sandra Larson, aye; and Brittany Boothe, aye.

The consent agenda as approved included Minutes for November 22, 2010 and December 20, 2010, Accounts Paid through January 4, 2011, and the Public Works Activity Report for December 2010.

6. DEPARTMENT REPORTS

a. FROM MAYOR/COUNCILORS

(1) Election of Council President

MOTION: Mayor Hobart-Hardin made a motion to appoint Sandra Larson as Council President. Brittany seconded the motion which passed with a vote of 3-0.

(2) Appointment of Representatives to the Lane Area Commission on Transportation (LACT)

Mayor Hobart-Hardin said she would like to continue as the LACT representative and keep Ric as the alternate.

MOTION: Sandra Larson made a motion to appoint Mayor Hobart-Hardin as the elected representative to the LACT and Ric Ingham, City Administrator as the alternate representative. Brittany Boothe seconded the motion which passed with a vote of 3-0.

b. COUNCIL/COMMITTEE LIAISONS

Sandra Larson attended the last School Board meeting. The meeting focused on the school's projected general fund deficient of 1.4 million dollars. She said they really have a financial crisis on their hands. The deficit equates to lessening the school year by 41 days; letting go of 17 teachers or 35 classified personnel; the entire administrative staff; or transportation for the entire study body.

Mayor Hobart-Hardin spoke with Jay Bozievich, a newly appointed County Commissioner at which time he extended his congratulations to Brittany Boothe as the newest Veneta City Councilor. She said the Park Board is the best Board ever. They have started their preparations for the Easter Egg Hunt (April 23) and Earth/Arbor Day (April 30) celebrations which will include new activities for both events. She attended the Bolton Hill Master Plan subcommittee meeting and David Dougherty the landscape architect provided a great design. She said this project is very exciting and Zac has put

a lot of effort into it.

7. STAFF REPORTS

- a. CITY RECORDER.....SHERYL HACKETT
(1) Request for Reassignment of Garbage Franchise

County Transfer & Recycling submitted a letter asking the City Council to consent to the assignment of the garbage franchise to their affiliate, Sanipac, Inc.

The City of Veneta has provided garbage service to its residents by way of an exclusive franchise agreement since June 2, 1969. On March 10, 2003 the Council adopted its most current Franchise Ordinance No 441 which transferred the franchise from Joe McFadden, dba Veneta Garbage Service to Waste Connections, Inc, dba County Transfer & Recycling. Staff is recommending the Council authorize the assignment of the City's Garbage Franchise to Sanipac, subject to their filing with the City a written acceptance and agreement to abide by the terms of Ordinance 441.

Section 12 of Ordinance 441 states "The consent of the Council shall not be unreasonably withheld so long as the Council finds that the assignee has the ability, know-how, experience, and financial ability to abide by the requirements of this ordinance.

Sheryl said the franchise agreement will expire January 26, 2013.

Scott Johnson said the assignment to Sanipac is required for internal reorganization of their operations in order to enhance their customer service. They will also continue their involvement with local charities (the Love and Santa projects) as well as working with City staff on public events.

MOTION: Sandra Larson made a motion to give County Transfer & Recycling consent to assign the garbage franchise to their affiliate, Sanipac, Inc. in accordance with Section 12 of Ordinance 441. Brittany Boothe seconded the motion which passed with a vote of 3-0.

- b. FINANCE DIRECTOR.....SHAUNA HARTZ
(1) Recommendation to Address Revenue Shortfall for Construction of Veneta Community Pool

Shauna said the purpose of this agenda item is to formalize staff's recommendation on how to address the revenue shortfall regarding the construction of the Veneta Community Pool. Even though the pool was constructed under budget, the original budget figure was based on the City receiving grant funds. Those grant funds were never received which created a shortfall of about \$93,000. Staff is now recommending a supplemental budget be adopted to address the shortfall in this fiscal year. Shauna said staff would like to do the Supplemental Budget later in the year so other transactions could be included if necessary.

In response to a question from Sandra Larson, Shauna said \$83,651 was based on estimates and likely did not include the cost of the bricks. The result of the “Buy a Brick” campaign was a little over \$64,000 after the bricks were paid for.

MOTION: Sandra Larson made a motion to direct staff to prepare a Supplemental Budget Resolution for FY2010-11 to increase the transfer appropriation in the Capital Construction-Government Fund and present the resolution to the Council no later than June 14, 2011. Brittany Boothe seconded the motion which passed with a vote of 3-0

- c. CITY ADMINISTRATOR.....RIC INGHAM
(1) Status of E. Bolton LID

The City Council targeted January 2011 as the date they would review and determine whether to proceed with the East Bolton Road Local Improvement District (EB-LID) which included a waste water line from Territorial Rd. to Pine Street. Because of the public input and the economic times the Council directed staff to come up with a barometer to indicate when better times were reached. The Council chose to utilize the University of Oregon’s (U of O) Economic Index number of 96.4 as a target indicator. In 2008 that number dropped to 82. In October 2010 it was 86.

Mayor Hobart-Hardin said this has been a five year long process but now isn’t the time to proceed with the LID. She suggested postponing the it until October 2011.

In response to questions from Brittany Boothe, Ric said the Council has several options; they could proceed with the EB-LID, revisit the economic index; postpone the issue until October 2011 or a combination of any of the three. Ric said staff would bring a similar memo to the Council in October 2011 if the Council chose that option. Staff could also provide additional options at that time but that’s not likely. It’s a difficult process because of the financial burden it puts on residents. Once the Council gives staff the go ahead to proceed with the LID staff will follow the regular LID process.

Mayor Hobart-Hardin said the Bolton Hill LID went through a couple years ago and it was a good process to follow.

In response to a question from Sandra Larson, Mayor Hobart-Hardin said if the EB-LID was postponed until October 2011, the Council at that time could postpone the EB-LID again but they could also decide to move forward with it even if we haven’t reached the 96.4 figure. She doesn’t feel that it is a reasonable target figure now.

Brittany Boothe said reducing the target figure doesn’t necessarily mean those residents would be able to handle the cost.

Brian stated that as the economy improves construction costs increase. The BH-LID will never have lower construction costs than right now. Staff made sure the East Bolton residents were aware of that when they asked the Council to

postpone the project.

MOTION: Brittany Boothe made a motion to revisit the East Bolton LID in October 2011. Sandra Larson seconded the motion which passed with a vote of 3-0.

(2) Fern Ridge Chamber of Commerce Utility Bill Waiver

About one year ago, the Fern Ridge Chamber of Commerce requested a waiver releasing them from their water/wastewater utility bill for one year. At that time they had limited business activity and their annual usage was minimal. Their situation has not changed this past year. Staff recommended waiving the bill for an additional 12 months.

Brittany Boothe said the financial impact to the City is minimal considering the benefit the Chamber provides to the community. Sandra Larson agreed.

MOTION: Sandra Larson made a motion to grant a one year extension to the Utility Billing Waiver for the Fern Ridge Chamber of Commerce effective February 1, 2011. Brittany Boothe seconded the motion which passed with a vote 3-0.

(3) Lane Council of Governments (LCOG) Appreciation Dinner

Ric said the annual LCOG appreciation dinner is a great opportunity for that organization to bring jurisdictions and members together and it's a nice event to support. The dinner will be held on January 27, 2011. The reservation deadline is January 20, 2011.

8. **OTHER**
None

9. **ADJOURN**
Mayor Hobart-Hardin adjourned the Veneta City Council at 8:34 p.m.

Sharon Hobart-Hardin, Mayor

ATTEST:

Darci Henneman, Assistant City Recorder
(minutes prepared by Dhenneman)

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